

## ENVIRONMENTAL INDEMNITY AGREEMENT

THIS ENVIRONMENTAL INDEMNITY AGREEMENT (this "Indemnity") is entered as of December 28, 1998 (the "Effective Date"), by and between VESTAR CALIFORNIA XXII, L.L.C., an Arizona limited liability company ("Owner"), and BOEING REALTY CORPORATION, a California corporation (formerly known as McDonnell Douglas Realty Company) ("BRC").

The parties enter into this Indemnity on the basis of the following facts, understandings, and intentions:

A. BRC and Owner are parties to that certain Agreement for Purchase and Sale of Property and Escrow Instructions dated as of March 31, 1997 (the "Purchase Agreement"), respecting that certain real property consisting of approximately 27 acres of land located in the City of Los Angeles, County of Los Angeles, State of California, located at the northwest corner of Normandie Avenue and 190th Street and defined in the Purchase Agreement as the Property (the "Property"). Concurrently with the execution of this Indemnity, Owner is purchasing the Property from BRC pursuant to the Purchase Agreement.

B. As an inducement for Owner to acquire the Property, BRC has agreed to complete certain environmental remediation of the Property before Owner's acquisition of the Property and continuing after such acquisition, all as defined in the Purchase Agreement as the "Remediation."

C. As an additional inducement for Owner to acquire the Property, and in furtherance of the consummation of the acquisition transaction contemplated by the Purchase Agreement, BRC and Owner now desire to enter into this Indemnity.

D. For purposes of this Indemnity, the term "Hazardous Materials" shall mean any substances defined as "hazardous substances," "hazardous materials," "hazardous waste" or "toxic substances" under any local, state or federal law, rule, statute, court decision, regulation or ordinance as in existence on the date of this Indemnity, as such definitions may be supplemented or modified from time to time by any additional, successor or modified law, rule, statute, court decision, regulation or ordinance effective from time to time up to the date ten (10) years after the date of this Indemnity, including, but not limited to, any flammable material, explosives, radioactive materials, hazardous wastes, oil, gas, petroleum or other hydrocarbons (including petroleum and hydrocarbon by-products) and any other materials, gases or substances that are, from time to time up to the date ten (10) years after the date of this Indemnity, known or suspected to be toxic or hazardous, or known or suspected of causing material detriment or materially impairing the beneficial use of real property or known or suspected to constitute a material health, safety or environmental risk to real property or occupants of real property, but, however, specifically excluding radon gas.

E. For purposes of this Indemnity, the term "Hazardous Discharge" shall mean an emission, spill, release or discharge (as those terms are construed by applicable court decisions) of any Hazardous Materials in, at, on or under the Property into or upon (i) the air, (ii) soils or any improvements located thereon, (iii) surface water or ground water, (iv) the sewer, septic system or waste treatment, storage or disposal system servicing the Property or (v) other property in the vicinity of the Property; provided, however, that "Hazardous Discharge" shall not include any migration of Hazardous Materials from the Property into or upon neighboring property consisting of migration of Hazardous Materials through the Property from other property (other than another portion of the 170-Acre Parcel as defined in the Purchase Agreement) without the contribution or fault on the part of any owner or occupant of, or person present on, the Property.

F. For purposes of this Indemnity, the term "Environmental Complaint" shall mean (i) any complaint, order, directive, claim, citation, notice or formal written request in lieu or contemplation of any of the foregoing by any governmental authority, including, without

limitation, any and all enforcement, cleanup, removal or other governmental or regulatory action instituted, completed or threatened that affects the Property resulting from or relating to any Hazardous Discharge, the presence of any Hazardous Materials, or the violation of any Environmental Law (as defined below) whether such complaint is meritorious or not, or (ii) any and all claims made or threatened by any third party relating to damage, contribution, cost, recovery, compensation, loss or injury resulting from or relating to any Hazardous Discharge, the presence of any Hazardous Materials, or the violation of any Environmental Law (as defined below) (whether such claim is meritorious or not).

G. For purposes of this Indemnity, the term "Environmental Laws" shall mean all applicable federal, state and local laws, rules, statutes, court decisions, ordinances, regulations, orders and directives of every kind and nature (including remediation standards) whatsoever pertaining to Hazardous Materials as in existence and interpreted on the date of this Indemnity, as such may be supplemented or modified from time to time by any additional, successor or modified law, ordinance, regulation, order, directive or standard effective within ten (10) years after the date of this Indemnity.

H. For purposes of this Indemnity, the term "Indemnity Period" shall mean that period prior to the Closing Date, as defined in the Purchase Agreement.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants and promises of the parties contained herein and in the Purchase Agreement and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, BRC and Owner hereby agree as follows:

1. Indemnity. Subject to the other provisions of this Agreement, BRC hereby forever irrevocably and unconditionally, indemnifies, protects, holds harmless and shall defend (by counsel selected by BRC and satisfactory to Owner in its reasonable discretion) (a) Owner, (b) any entity controlling, controlled by or under common control with Owner (an "Affiliate"), (c) any entity in which Owner or an Affiliate is a general partner or managing member, (d) any Affiliate, trustee, receiver or partner of any of the foregoing, (e) any lender, mortgagee, beneficiary, purchaser/landlord under a sale-leaseback financing or other creditor of any of the foregoing in circumstances in which the Property serves as security for the loan, debt or obligation and any grantee or purchaser at a foreclosure or trustee's sale or deed in lieu of foreclosure of such security, (f) the first (1st) and second (2nd) person or entity, other than the foregoing persons or entities, that succeeds to title to the Property from any person or entity set forth in (a), (b), (c) and (d) above (but not subsequent successors), and (g) any tenant or lessee of any person or entity set forth in (a) through (f) above; provided, however, that a person or entity who has become an Indemnified Party pursuant to this clause (g) shall remain an Indemnified Party, even if the Property is sold to an entity that succeeds to title to the Property, subsequent to the second transferee referenced in clause (f) above, (h) each of the respective shareholders, partners, directors, officers, employees, agents and representatives of the persons and entities set forth in (a), (b), (c), (d), (e), (f) and (g) above (collectively, the "**Indemnified Parties**") for, from and against (except in each case to the extent caused by the negligence or other wrongful conduct of an Indemnified Party or of an Additional Indemnified Party, as defined below, or their respective tenants, licensees and invitees; provided, however, that an Indemnified Party or Additional Indemnified Party shall not be considered to have committed negligence or other wrongful conduct due to its failure to discover, have knowledge of or remediate an environmental condition otherwise within the scope of BRC's indemnity under this Agreement) any and all actions, claims, including claims for personal injury and bodily damage, causes of action, losses, damages liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of every kind, and all costs and expenses actually and reasonably incurred in connection therewith (including, without limitation, attorneys' fees, court costs and expenses actually and reasonably incurred, including on appeal), provided that in any event consequential damages hereunder shall be limited to lost rental income to a fee owner but not any sublessor (collectively, "**Claims**"), arising out of (i) any failure by BRC or its parent corporation, affiliates, agents, servants, contractors or employees to comply with any Environmental Laws relating in any way whatsoever

to the handling, treatment, presence, removal, storage, remediation, decontamination, cleanup, transportation or disposal of any Hazardous Materials present during the Indemnity Period (ii) subject to the provisions of Section 6 below, the presence of Hazardous Materials in, at, on or under the Property during the Indemnity Period or caused to be present in, at, on or under the Property subsequent to the Indemnity Period by any use or operation of the Property during the Indemnity Period, except in each case to the extent that the presence of Hazardous Materials, Hazardous Discharges, violation of Environmental Laws and Environmental Complaints are due to actions (other than actions of BRC or its parent corporation, affiliates, agents, contractors or employees) occurring after the Indemnity period, (iii) any existing, pending, threatened or future Environmental Complaint affecting the Property respecting any condition or state of facts concerning the Property that existed during the Indemnity Period or is caused to exist subsequent to the Indemnity Period by any use or operation of the Property during the Indemnity Period (and specifically including any Claim arising out of the existing lawsuit captioned Aguirre v. Cadillac Fairview/California, Inc., Los Angeles Superior Court Case No. NC 017753), (iv) any Event of Default (as defined below) by BRC under this Indemnity, (v) any act or omission of BRC or its agents, representatives, contractors or subcontractors in connection with any of their activities or entries upon the Property in connection with this Indemnity or the Purchase Agreement and (vi) subject to the provisions of Section 6 below, any default by BRC under its obligations with respect to the "Excluded Portion" of the Remediation (as defined in Section 1.6(b) of the Purchase Agreement) or any failure of BRC to complete in accordance with the Purchase Agreement the portion of the Remediation required under the Purchase Agreement to be completed prior to Owner's acquisition of the Property and as to which failure Owner has the right to enforce BRC's performance under the provisions of the Purchase Agreement (*i.e.*, failures that were not discovered and were not reasonably discoverable by Buyer prior to Buyer's acquisition of the Property); provided, however, that clauses (i), (ii), (iii), (iv) and (vi) above shall not require BRC to indemnify, defend or hold harmless any Indemnified Party (or any Additional Indemnified Party as defined below), or otherwise be responsible or liable for, any Claim to the extent attributable to the future use or contemplated or attempted use of the Property for the purposes of any residence, hospital, health care facility, school or other use as to which heightened or special requirements or standards may apply under Environmental Laws or otherwise pertaining to Hazardous Materials or Hazardous Discharges (a "Heightened Use") (the parties specifically acknowledge that a use which may not constitute a Heightened Use as of the date of this Agreement may become a Heightened Use in the future due to changes in Environmental Laws or other circumstances in which events such use shall be considered a Heightened Use for all purposes under this Agreement), but which heightened or special requirements or standards would not apply were the property used solely for ordinary commercial and/or retail uses or other uses ordinarily located in shopping centers, including, but not limited to, uses such as restaurants, theaters and other entertainment facilities and stores engaged in the sale of consumer goods and related services ("Anticipated Commercial Uses"). Notwithstanding the foregoing, in the event the Property is used for a Heightened Use, BRC nevertheless shall be required under clauses (i), (ii), (iii), (iv) and (vi) above to indemnify, defend and hold harmless any Indemnified Party or any Additional Indemnified Party and otherwise be responsible and liable for that portion of a Claim which would have arisen in the event that the Property had been used solely for Anticipated Commercial Uses (although the Property was in fact used for a Heightened Use), but BRC shall not be required under clauses (i), (ii), (iii), (iv), and (vi) above to indemnify and hold harmless any Indemnified Party or any Additional Indemnified Party for that portion of such Claim, if any, which is attributable to the Heightened Use of the Property. (Assume, for illustration purposes only, that if the Property is used for an Anticipated Commercial Use, the Governmental Agency with jurisdiction will require a cleanup standard of 100 parts per million ("ppm") to be achieved but if the Property is used for a Heightened Use, the Governmental Agency with jurisdiction will require a cleanup standard of 50 ppm to be achieved. In that scenario, BRC would be obligated to clean up the Property to the 100 ppm standard, regardless of whether the Property were being used for an Anticipated Commercial Use or a Heightened Use.) The foregoing provisions of this Section 1 also shall run to the benefit of, and may be enforced by, any other person or entity that succeeds to title or lawful possession, either directly or indirectly through intervening owners, from an Indemnified Party to the Property within twelve (12) years after the Closing Date (each an "Additional Indemnified Party"), but only as to matters otherwise covered by the foregoing provisions of this Section 1 that are discovered by an Indemnified Party or Additional Indemnified

Party and communicated to BRC in writing in reasonable detail within twelve (12) years after the Closing Date. BRC and Owner acknowledge that the Property has been or may be divided into a number of separate legal parcels and that clause (f) above pertaining to Owner's successors in interest shall apply on a parcel-by-parcel basis (*i.e.*, the transfer of one such parcel shall constitute a transfer to a successor within the meaning of clause (f) above only as to the transferred parcel). In addition, the transfer of the Property or any parcel thereof by an Indemnified Party to any entity controlling, controlled by or under common control with such Indemnified Party, or to any partnership or other entity in which such Indemnified Party is a general partner or managing member, shall not be considered to be a transfer or succession for the purposes of establishing the first or second successor in interest to Owner under clause (f) above (*e.g.*, if such transferor Indemnified Party were the first successor in interest to Owner under clause (f), then such affiliated transferee also shall be considered to be the first successor to Owner).

2. Limitations on Indemnity. BRC shall not be liable to any Indemnified Party or Additional Indemnified Party for any Claims arising out of any single Hazardous Discharge or group of related Hazardous Discharges or presence of Hazardous Materials, violation of Environmental Laws or Environmental Complaints pertaining to such single Hazardous Discharge or group of Hazardous Discharges, except to the extent that such Claims exceed the sum of \$25,000.

3. No Limitation From Knowledge. BRC hereby acknowledges and agrees that BRC's duties, obligations and liabilities under this Indemnity are in no way limited or otherwise affected by any information any Indemnified Party or Additional Indemnified Party may have (or studies it has done) concerning the Property and/or the presence in, at, on or under the Property of any Hazardous Materials.

4. Payment; Interest. All payment obligations of BRC to Indemnified Parties hereunder shall be payable immediately upon demand and shall bear interest following demand at a rate that is the lesser of ten percent (10%) or the highest rate permitted under law. If, upon final judicial determination of the payment dispute by a court of competent jurisdiction, it is determined that the payment made by BRC was not owing under this Indemnity, the Indemnified Party who received such payment shall promptly reimburse BRC for the payment made by BRC with interest thereon accruing from the date the payment was delivered to such Indemnified Party at a rate that is the lesser of ten percent (10%) or the highest rate permitted under law.

5. Survival. BRC hereby acknowledges and agrees that, notwithstanding any other provision of this Indemnity or any provision contained in the Purchase Agreement to the contrary, the obligations of BRC under this Indemnity shall survive the recordation of the Grant Deed, as defined in the Purchase Agreement, without limitation, and shall run to the benefit of the Indemnified Parties and the Additional Indemnified Parties as set forth above in this Indemnity, respectively; provided, however, that, in no event shall any indemnity or hold harmless agreement or other agreement or covenant made by any Indemnified Party for the benefit of any other party (other than another Indemnified Party), or by any Additional Indemnified Party (other than another Additional Indemnified Party), provide or constitute a basis for recovery by any Indemnified Party or Additional Indemnified Party or any other party against BRC pursuant to this Indemnity (*i.e.*, although BRC shall remain liable to each of the Indemnified Parties and each of the Additional Indemnified Parties, respectively, for any liability they may incur under law as set forth above in this Indemnity and for all matters otherwise covered by this Indemnity, neither any Indemnified Party nor any Additional Indemnified Party shall be entitled to effectively pass through by contract the benefits of this Indemnity to parties other than the Indemnified Parties or Additional Indemnified Parties, respectively).

6. Independent Obligations; Limitations. BRC's obligations hereunder are independent of the obligations of BRC under the Purchase Agreement and any other document, contract and agreement entered by the parties in connection with the Purchase Agreement or the transactions contemplated therein, and also independent of any obligations of any other indemnitor, insurer or other person or entity, and Owner and any other Indemnified Party or Additional Indemnified Party may enforce any of its rights hereunder independently of any other

right or remedy that such party may at any time hold. Nothing in this Indemnity shall limit or affect any right or remedy that Owner or any other Indemnified Party or Additional Indemnified Party may otherwise hold at any time, except that Owner and, by accepting any benefit of this Indemnity or any interest in the Property, each other Indemnified Party and each Additional Indemnified Party hereby agrees that, provided BRC fulfills its obligations pursuant to the Purchase Agreement with respect to the Remediation and otherwise fulfills all of its obligations under this Indemnity other than those under clause (ii) of Section 1 above (and without waiving or modifying the other clauses of Section 1), neither BRC, McDonnell Douglas Corporation ("MDC"), any entity controlling, controlled by or under common control with BRC or MDC, nor any of the respective shareholders, partners, directors, officers, employees, agents or representatives of the foregoing (collectively, the "MDC Parties"), shall have any liability under clause (ii) of Section 1 above (including by way of MDC's guaranty of this Indemnity) or otherwise under any applicable law or right or theory of recovery, and Owner and, by accepting any benefit of this Indemnity or any interest in the Property, each other Indemnified Party and each Additional Indemnified Party agrees to refrain from asserting any claim against the MDC Parties for, any loss or damage (including, but not limited to, lost profits or diminution in value of the Property) due to the presence of Hazardous Materials or the occurrence of Hazardous Discharges in, at, under or in the vicinity of the Property, or the effect thereof on the Property or its desirability or marketability (the "Prohibited Claims"). Owner and, by accepting any benefit of this Indemnity or any interest in the Property, each other Indemnified Party and each Additional Indemnified Party hereby waives, releases, acquits and forever discharges the MDC Parties, to the maximum extent permitted by law, of and from the Prohibited Claims. With respect to such release, Owner and, by accepting any benefit of this Indemnity or any interest in the Property, each other Indemnified Party and each Additional Indemnified Party expressly waives any statutory right granted to such party at any time (including, but not limited to, those pursuant to any law pertaining to Hazardous Materials or the law of torts or nuisance) pertaining to the Prohibited Claims, as each such right may be amended, supplemented, modified or replaced from time to time, and Owner expressly waives all of its rights granted under Section 1542 of the California Civil Code with respect to the Prohibited Claims (to the extent Section 1542 may apply to such release) which reads as set forth below in Section 7.

7. Release. BRC and each and all of its successors and assigns hereby waive, release, acquit and forever discharge each of the Indemnified Parties to the maximum extent permitted by law, of and from any and all claims, actions, causes of action, demands, rights, damages, costs, expenses, and compensation whatsoever, direct or indirect, known or unknown, foreseen or unforeseen, as now exist or may arise in the future (in each case except to the extent caused by the negligence or other wrongful conduct of an Indemnified Party or and Additional Indemnified Party, or their respective tenants, licensees and invitees; provided, however that an Indemnified Party or Additional Indemnified Party shall not be considered to have committed negligence or other wrongful conduct due to its failure to discover, have knowledge of or remediate an environmental condition otherwise within the scope of BRC's indemnity under this Agreement) as a result of any matter for which BRC has indemnified the Indemnified Parties pursuant to the foregoing provisions of this Indemnity. BRC and each and all of its successors and assigns hereby waive, release, acquit and forever discharge each of the Additional Indemnified Parties to the maximum extent permitted by law, of and from any and all claims, actions, causes of action, demands, rights, damages, costs, expenses, and compensation whatsoever, direct or indirect, known or unknown, foreseen or unforeseen, as now exist or may arise in the future (in each case except to the extent caused by the negligence or other wrongful conduct of an Indemnified Party or an Additional Indemnified Party) as a result of any matter for which BRC has indemnified the Additional Indemnified Parties pursuant to the foregoing provisions of this Indemnity. With respect to the release contained in this Section 7, BRC expressly waives any statutory right granted to BRC pursuant to any Environmental Law or the law of torts, as each may be amended, supplemented, modified and replaced from time to time, and BRC expressly waives all of its rights granted under Section 1542 of the California Civil Code (to the extent Section 1542 may apply to the releases set forth in this Section 7) which reads as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

8. Defaults and Cure.

(a) Breaches by BRC. The following shall constitute breaches by BRC under this Indemnity:

(i) BRC's breach of any provision of this Indemnity; and

(ii) BRC's failure to comply with any valid and enforceable order or directive from any governmental agency having jurisdiction over the Property concerning Hazardous Materials, Hazardous Discharges, violations of Environmental Laws or Environmental Complaints, which failure results in the enforcement thereof against the Property or any Indemnified Party or Additional Indemnified Party, that are within BRC's indemnities set forth in Section 1 of this Indemnity.

(b) Cure Rights. In the event of a breach of this Indemnity by BRC, BRC may cure such breach within a reasonable time (not to exceed 30 days) after written notice from an Indemnified Party or Additional Indemnified Party to BRC specifying the breach with reasonable detail; provided, however, that if the nature of BRC's obligation is such that more than 30 days are required for cure of such breach (but this shall not apply to any failure to pay a monetary sum), BRC shall not be in default if it commences such steps as are reasonable under the circumstances toward performance of such cure within such 30-day period and thereafter diligently prosecutes the cure to completion. In the event a breach by BRC is not cured as specified in the immediately preceding sentence, such breach shall be considered to be an "Event of Default" under this Indemnity. The provisions of this paragraph are subject to the provisions of Section 8(d).

(c) Cure on BRC's Behalf. Subject to the provisions of Section 8(d), in the event of an Event of Default by BRC under this Indemnity, an owner of the affected portion of the Property (or such owner's tenant, lender or other party having an interest in such portion of the Property to whom such owner has exclusively assigned its rights under this paragraph) shall have the right to take such actions as such party believes in good faith to be reasonably necessary and appropriate toward curing such Event of Default and shall have the right to charge the reasonable costs thereof to BRC, provided such party has given BRC at least fifteen (15) days' written notice expressing its intention to invoke the provisions of this sentence. BRC shall pay all such reasonable costs incurred by such party upon such party's demand and presentation of invoices supported by reasonable evidence as to their propriety. All amounts not so paid by BRC within fifteen (15) days of such demand and presentation shall bear interest at the rate of ten percent (10%) per annum from the date of such demand and presentation through the date of payment. Notwithstanding the foregoing, each Indemnified Party and Additional Indemnified Party shall be excused from compliance with the provisions of this Section 8 to the full extent that directives or orders of governmental agencies or their representatives, or to the extent that other emergencies, reasonably require such Indemnified Party or Additional Indemnified Party to take actions without allowing periods of notice or cure to run pursuant to this Section 8; provided, however, that such Indemnified Party or Additional Indemnified Party shall use reasonable efforts in such circumstances to give notice of the need for immediate action to BRC and may take such reasonably necessary and appropriate action only in the event BRC does not respond appropriately to the emergency.

(d) Conflicting Demands. Owner and BRC acknowledge that it is possible that BRC will receive conflicting demands or other communications from the various Indemnified Parties and Additional Indemnified Parties in connection with this Agreement. Notwithstanding any other provision of this Agreement, in the event that BRC receives a demand or other communication from an Indemnified Party or Additional Indemnified Party respecting

any action to be taken or not taken in connection with this Indemnity which demand or communication conflicts with a demand or communication received from another Indemnified Party or Additional Indemnified Party, BRC shall give reasonable notice of the conflict between such demands or communications to each of the parties to the conflicting demands or communications. If one of the parties sending the conflicting demand or communication is then an owner of the affected portion of the Property (or such owner's tenant, lender or other party having an interest in such portion of the Property to whom such owner has exclusively assigned its rights under this paragraph) and each of the other parties sending the conflicting demands or communications is not a fee owner of the affected portion of the Property (or a fee owner's tenant, lender or other party having an interest in such portion of the Property to whom such a fee owner has exclusively assigned its rights under this paragraph), then BRC shall have the right to consider the communication from such fee owner (or such interest holder to whom such owner has exclusively assigned its rights) to be the demand or communication given pursuant to this Indemnity, while ignoring the other conflicting demands or communications from the other Indemnified Parties or Additional Indemnified Parties. In the event that conflicting demands or communications are received from any Indemnified Parties or Additional Indemnified Parties each of whom is a fee owner of the affected portion of the Property (or to such owner's tenant, lender or other party having an interest in such portion of the Property to whom such owner has exclusively assigned its rights under this paragraph), BRC shall be afforded reasonable opportunity to cause the makers of the conflicting demands or communications to communicate with each other in an effort to concur with such demand or communication. In the event the conflict cannot be resolved within a reasonable period of time, BRC shall have the right to elect either to (i) require the parties making the conflicting demands or communications to resolve their conflict in accordance with dispute resolution provisions set forth in Section 21 of this Agreement (in which event the issue to be resolved in such proceeding, as it pertains to BRC, shall be limited to selection of which the conflicting demands or communications is the most reasonable), or (ii) consider the communication from either party making the conflicting demands or communications to be the demand or communication given pursuant to this Indemnity, while ignoring the other conflicting demands or communications, provided that the demand or communication selected by BRC is a reasonable demand or communication. In the event BRC relies upon a decision rendered in a proceeding under Section 21 or, alternatively, upon a reasonable conflicting demand or communication as permitted pursuant to this paragraph (*i.e.*, in the event that BRC does not elect to cause the parties to resolve their dispute under the provisions of Section 21), the maker of each nonprevailing conflicting demand (*i.e.*, the nonprevailing party(ies) in a proceeding under Section 21 or each party whose demand has not been selected by BRC in the event the dispute is not resolved under the provisions of Section 21) shall be prohibited from exercising its rights pursuant to Section 8(c) or otherwise claiming a default for BRC's failure to follow such conflicting demand to the full extent of such conflict, without, however, limiting such party's (or any other party's) other rights under this Agreement as an Indemnified Party or Additional Indemnified Party.

9. Cumulative Remedies; No Waiver. The rights, powers and remedies of Owner hereunder are cumulative and not exclusive of any other right, power or remedy that Owner may otherwise have, subject to the provisions of Section 6 above. No failure or delay on the part of Owner in exercising any right, power or remedy may be, or may be deemed to be, a waiver thereof; nor may any single or partial exercise of any right, power or remedy preclude the further exercise thereof, or the exercise of any other right, power or remedy.

10. Attorney's Fees. In any action arising out of this Indemnity by Owner or BRC, the losing or defaulting party shall pay to the prevailing party attorneys' fees, costs and expenses actually and reasonably incurred in prosecuting such action.

11. Notices. All notices, demands and other communications required or permitted to be given or served under this Indemnity shall be in writing and shall be delivered to the appropriate party at its address as follows:



If to BRC:

BOEING REALTY CORPORATION  
4060 Lakewood Blvd., 6th Floor  
Long Beach, CA 90808-1700  
Attn: Mr. Thomas J. Motherway

With a copy to:

Hewitt & McGuire, LLP  
19900 MacArthur Boulevard, Suite 1050  
Irvine, California 92612  
Attn: Jay F. Palchikoff

If to Owner:

Vestar California XXII, L.L.C.  
2425 East Camelback Road, Suite 750  
Phoenix, Arizona 85016  
Attn: Richard J. Kuhle  
Phone: (602) 993-1626 or (602) 553-2644  
Fax: (602) 955-2298

Addresses for notice may be changed from time to time by written notice to all other parties. All communications shall be effective when actually received; provided, however, that nonreceipt of any communication as the result of a change of address of which the sending party was not notified or as a result of a refusal to accept delivery shall be deemed receipt of such communication. In addition to the notices required above in this Section, if an Indemnified Party or Additional Indemnified Party who is an owner or lessee of a 20,000 square foot or greater portion of the Property requests copies of notices, demands or other communications given pursuant to this Section, then the parties shall give copies of such notices, demands and other communications to the requesting party in instances in which such notices, demands or other communications directly concern or impact the portion of the Property owned or leased by such requesting party. Such Indemnified Party or Additional Indemnified Party requesting party shall make its request to receive such notices, demands and other communications by written notice delivered to BRC and Owner pursuant to the preceding provisions of this Section.

12. Binding Agreement; Assignment; Amendment. This Indemnity and the terms, covenants and conditions hereof shall be binding upon and inure to the benefit of BRC and the Indemnified Parties (and Additional Indemnified Parties, but only to the extent of BRC's obligations to Additional Indemnified Parties as set forth in this Indemnity), and no person or entity shall be permitted to transfer, convey or assign this Indemnity or any right or obligation hereunder (and any attempt to do so shall be void) except to an Indemnified Party (or to an Additional Indemnified Party, but only to the extent of BRC's obligations to Additional Indemnified Parties as set forth in this Indemnity). No amendment of this Agreement shall be binding against an Indemnified Party or Additional Indemnified Party who has acquired rights under this Agreement at the time of such amendment, except to the extent such Indemnified Party or Additional Indemnified Party has approved such amendment.

13. Interpretation. Whenever the context requires, all terms used herein in the singular shall be construed in the plural and vice versa, and each gender shall include each other gender. Section headings in this Indemnity are included for convenience of reference only and are not a part of this Indemnity for any other purpose. Capitalized terms not defined herein shall have the same meaning ascribed to such terms in the Purchase Agreement.

14. Governing Law. This Indemnity shall be governed by and construed in accordance with the laws of the State of California.

15. Third Party Beneficiary. This Indemnity and every provision hereof is for the exclusive benefit of the parties to this Indemnity and the Indemnified Parties (and the Additional Indemnified Parties, but only to the extent of BRC's obligations to Additional Indemnified Parties as set forth in this Indemnity) and not for the benefit of any other party.



Specifically, this Indemnity shall not run with the Property, but shall run to the benefit of the Indemnified Parties (and the Additional Indemnified Parties, but only to the extent of BRC's obligations to Additional Indemnified Parties as set forth in this Indemnity).

16. Counterparts. This Indemnity may be signed in counterparts each of which shall constitute an original, but all of which together shall constitute one and the same instrument.

17. No Party Deemed Drafter. Each party participated in the preparation of this Indemnity personally and with the benefit of counsel. If this Indemnity is ever construed by a court of law or equity, such court shall not construe this Indemnity, or any provision hereof, more harshly against any party as drafter.

18. Incorporation By Reference. Each and all of the recitals herein contained are hereby incorporated herein by this reference as if set forth in full in the body of this Indemnity.

19. Entire Agreement. This Indemnity and the Purchase Agreement constitute all of the agreements between the parties respecting the specific matters addressed herein and supersede all other prior or concurrent oral or written letters, agreements or understandings, without limitation.

20. Partial Invalidity. If any provision of this Indemnity shall be determined to be unenforceable in any circumstances by any court of competent jurisdiction, then the balance of this Indemnity shall be enforceable nonetheless, and the subject provision shall be enforceable in all other circumstances.

21. Enforcement; Disputes.

(a) Attorneys' Fees. In the event of any action or proceeding instituted between BRC and any Indemnified Party or Additional Indemnified Party or a dispute between or among Indemnified Parties or Additional Indemnified Parties in the event BRC elects to employ the provisions of this Section as permitted of BRC in Section 8(d) in connection with this Agreement, then the prevailing party shall be entitled to recover from the losing party all of its costs and expenses, including, without limitation, court costs, costs of appeals, attorneys' fees and disbursements actually and reasonably incurred.

(b) Resolution of Disputes. BRC and Owner have agreed on the following mechanisms in order to obtain prompt and expeditious resolution of all controversies, claims or disputes arising out of or in connection with the performance or non-performance of any terms of this Agreement and on the equitable and fair allocation as to the parties' obligations hereunder. By accepting any benefit of this Indemnity or any interest in the Property, each Indemnified Party and Additional Indemnified Party also accepts and agrees to be bound by the provisions of this Section 21 as if such party were the Owner.

(i) Reference of Dispute. Any dispute seeking damages, interpretation of this Agreement and any dispute seeking equitable relief, such as but not limited to specific enforcement of any provision hereof, shall be heard and determined by a referee pursuant to California Code of Civil Procedure Section 638, subdivision 1. The venue of any proceeding hereunder shall be in Orange County, unless changed by order of the referee.

(A) Procedure for Appointment. The party seeking to resolve the dispute shall file in court and serve on the other party a complaint describing the matters in dispute. Service of the complaint shall be as prescribed by California law. At any time after service of the complaint, any party may request the designation of a referee to try the dispute. Thereafter BRC and the Indemnified Party or Additional Indemnified Party involved in the dispute shall use their best efforts to agree upon the selection of a referee from among the available referees at Judicial Arbitration and Mediation Service ("JAMS"). If BRC and the Indemnified Party or Additional

Indemnified Party are unable to agree upon a referee within ten days after a written request to do so by any party, then either may petition the judge of the Superior Court to whom the case is then assigned to appoint a referee from JAMS. For the guidance of the judge making the appointment of said referee, the parties agree that the person so appointed shall be a retired judge from JAMS experienced in the subject matter of the dispute.

(B) Standards for Decision. To the extent consistent with the terms of this Agreement, the provisions of California Code of Civil Procedure, Sections 642, 643, 644 and 645 shall be applicable to dispute resolution by a referee hereunder. In an effort to clarify and amplify the provisions of California Code of Civil Procedure, Sections 644 and 645, the parties agree that the referee shall decide issues of fact and law submitted by the parties for decision in the same manner as required for a trial by court as set forth in California Code of Civil Procedure, Sections 631.8 and 632, and California Rules of Court, Rule 232. The referee shall try and shall decide the dispute according to all of the substantive and procedural law of the State of California, unless BRC and the Indemnified Party or Additional Indemnified Party involved in the dispute stipulate to the contrary. When the referee has decided the dispute, the referee shall also cause the preparation of a judgment based on said decision. The judgment to be entered by the Superior Court of Orange County, California will be based upon the decision of the referee. The referee's decision shall be appealable in the same manner as if the judge signing the judgment had tried the case.

(ii) Cooperation. All parties to the dispute shall diligently cooperate with one another and the person appointed to resolve the dispute, and shall perform such acts as may be necessary to obtain a prompt and expeditious resolution of the dispute. If any party refuses to diligently cooperate, any other party, after first giving notice of its intent to rely on the provisions of this paragraph, incurs additional expenses or attorneys' fees solely as a result of such failure to diligently cooperate, the referee may award such additional expenses and attorneys' fees to the party giving such notice, even if such party is not the prevailing party in the dispute.

(iii) Allocation of Costs. The cost of the proceeding shall initially be borne equally by the parties to the dispute, but, subject to Section 21(b)(ii) hereof, the prevailing party(ies) in such proceeding shall be entitled to recover, in addition to reasonable attorneys' fees and all other costs, its contribution for the reasonable cost of the referee as an item of recoverable costs. The referee shall include such costs in his judgment or award.

(iv) Multiple Indemnified Parties. In the event any dispute involves more than one Indemnified Party or Additional Indemnified Party, then, as to decisions and stipulations to be made pursuant to the provisions of this Section 21, BRC shall have the right to consider the decisions and stipulations as communicated by Owner (or, if Owner no longer owns a fee interest in any portion of the Property, then the Indemnified Party or Additional Indemnified Party who is then the fee owner owning the largest portion of the Property by gross acreage) to be the decisions and stipulations to be made pursuant to this Section 21 (including, but not limited to, selection of referees under Paragraph A above), and BRC shall have the right to ignore all others.

22. Time of Essence. Time is of the essence of every provision of this Indemnity.

23. Estoppel and Recognition Certificates. BRC, concurrently with the execution and delivery of this Agreement (provided Owner has given BRC at least 20 days' prior written notice) and thereafter upon twenty (20) days' notice from Owner or another Indemnified Party or Additional Indemnified Party, shall provide such party with an estoppel certificate confirming (i) the effectiveness of this Indemnity and (ii) the recognition of a prospective purchaser, lessee, lender or other party as an Indemnified Party or Additional Indemnified Party (where such recognition is accurately the case).

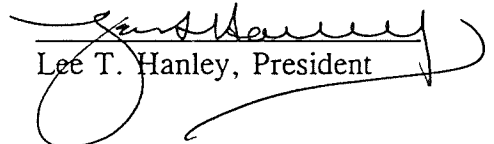
IN WITNESS WHEREOF, the parties hereto have executed this Indemnity as of the day and year first above written.

"Owner"

VESTAR CALIFORNIA XXII, L.L.C., an  
Arizona limited liability company

By: Hanley Investments Limited Partnership,  
an Arizona limited partnership, its  
Managing Member

By: Hanley Corporation, an Arizona  
corporation, its General Partner

By:   
Lee T. Hanley, President

"BRC"

BOEING REALTY CORPORATION,  
a California corporation (formerly known as  
McDonnell Douglas Realty Company)

By: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have executed this Indemnity as of the day and year first above written.

"Owner"

VESTAR CALIFORNIA XXII, L.L.C., an  
Arizona limited liability company

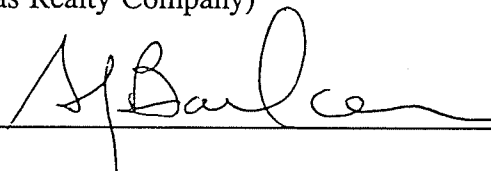
By: Hanley Investments Limited Partnership,  
an Arizona limited partnership, its  
Managing Member

By: Hanley Corporation, an Arizona  
corporation, its General Partner

By: \_\_\_\_\_  
Lee T. Hanley, President

"BRC"

BOEING REALTY CORPORATION, a California  
corporation (formerly known as McDonnell  
Douglas Realty Company)

By:  \_\_\_\_\_